

Gender and budget

Dr Valéria Szekeres

Institute of Economics, Budapest Tech

Budapest Tavaszmező u. 15-17. 1084

szekeres.valeria@kgk.bmf.hu

Summary: Neoclassical approach to economics failed to recognize and evaluate the importance in producing the human capital, of work of households which is predominantly performed by women. Extensive research, however, indicates that neglecting such issues may lead to a lower growth rate, and at the same time aspects of human equity are seriously disregarded. To eliminate this deficiency, there is a stronger tendency in the world to involve gender sensitiveness into the process of budget-making. There is a wide range of tools in the process, extending from the gendered analysis of the impacts on beneficiaries of budget, to examining the gender-disaggregated impacts of expenditure or tax incidence. The involvement of participants of civil society helps to make the budget-making a more open, participatory process.

Keywords: heterodox economics, gender-sensitive budget, gender equality

1 Introduction

There is an overall dissatisfaction about the poor economic conditions that were brought about by the widespread use of neoclassical economic measures. Deficiencies involve a widening growth gap between countries, but also a not eliminating, at worst, deepening gap in economic, political and social standards between women and men. Consequently, economic researchers, officials and activists in the world are directing their focus on budgeting process, as the most significant government measure affecting people's lives. To formulate a budget that aims at recognizing and strives for lessening the gender gap might be vital in increasing the chance for economic development and for gender equality, as well.

This paper examines the main tools of gender-sensitive budgetary process. It gives an analysis of the definition of gender and gender relations from economic point of view in section 2 and 3. Then, section 4 explains the existence of problem. Section 5 compares the traditional way and gender-sensitive way of making a budget. Section 6 makes a short summary of each tool. Section 7 gives an evaluation of tools, and section 8 concludes.

2 Definition of gender

The term of *gender* is related to biological characteristics, but actually created by the culture itself. Gender is an ideological and cultural construct, a basic term that determines the way of thinking and behavior of men and women. In societies, girls and boys are raised and taught differently as to values in life or roles in adulthood. Such difference is continuously transmitted towards younger generations by the different role patterns of mother and father, which are caused by and reflected in the differing role of men and women in reproduction and production. Further, the differences, which can be observed between men and women in job orientation, amount of salaries or disposable income, are basically influenced by cultural norms and gender values. The term of *gender relations* refers to multifaceted relationships between men and women, which are regulated by social norms, conventions and practices. As follows from the above, *gender roles* only slightly reflect biological characteristics, rather they are indicative of what the society regards appropriate for, and expects from a woman and a man.

3 Economic reflections on gender relations

It is the gender relations that play a systematic role in several economic aspects, for example in the division of labor, patterns of paid and unpaid work, distribution of paid work, income, wealth, education, productive inputs, publicly provided goods and the like. It is obvious that the most basic division of labor that is the division between *productive activities* and *reproductive activities* is also determined by gender. Reproductive activities and child rearing are carried out largely by women and remain invisible, as they are unpaid work, in spite of that income generation can hardly exist without development of labor force. On the other hand, men generally specialize in productive activities under conditions of paid work. This type of division of labor is a decisive factor in that there are *power asymmetries* between men and women, to the disadvantage of the latter. It causes that it is predominantly women, who have lower earnings, lower level of education, less professional experience, less wealth and less access to credit. Nevertheless, it is also women, who work longer hours, when we include both paid and unpaid work.

Within the orthodox conventional approach, economic analysis does not cover the reproduction and maintenance of labor force, because they have neither an immediate economic purpose, nor are they mediated through the market. However, it is important to capture the significance of gender. Such gender-aware economic analysis helps reveal how gender inequalities and relations are transmitted by the market economy and how they are reflected in the household and reproductive sector. But probably the most important result we can expect of a *gendered analysis* is to emphasize that market economic activity is a means rather

than an end, towards the very purpose of all economic activities i.e. to satisfy human needs. In order to fulfill human needs, market activity has to be responsive to and prioritize the needs of reproductive sector. This can be greatly supported, if economic regimes and instruments are examined within the framework of a gender-aware analysis.

4 Where the problem lies

Neoliberal economic policy was initially promoted as a way to achieve economic growth, and was thought to be automatically contributing to the reduction of poverty. However, such expectations have not been fulfilled, and the circle of poor nations as well as poor social groups has not been diminished. Moreover, neoliberalism has had a significant gendered impact implying that the gap between the welfare of women and men has not been narrowed.¹ Apart from this, it has had a disproportionately negative effect on the social groups most marginalized.

Attention has been in this situation focused on macroeconomic policy, because its importance has been recognized in shaping women's prospects for economic empowerment. Macro policy measures can significantly contribute to narrowing gender gaps in incomes, health, education etc. The role that macro policy can play in this aspect is considered rather important, as gender inequality can constrain the outcomes of policy measures. For instance, women's limited ability to invest in human resource development might interfere with the chance of development. As follows, the integration of a gender perspective into macroeconomic policy may have both equality and efficiency dimensions. Such a better-designed policy contributes to the reduction of gender inequality and lessens the gender constraints to successful macroeconomic outcomes, thus simultaneously improving the human development and growth performance. Further in this paper the focus is placed on fiscal policy that might be the most important area of macroeconomic policy.

¹ In many regions of the world women are considered as secondary source of labor supply, which causes that they are disproportionately suffering from the insecurity brought about by the increasing prevalence of casual and flexible jobs. The privatization of essential services such as health and education, but also the undervaluing of work, in particular women's work have caused a sharp increase in women's unpaid work.

5 National budget gender-sensitive?

The budget with its terms of financial aggregates, totals and sub-totals of expenditure and revenue, not mentioning women or men appears to be a gender-neutral policy instrument. However, if examined more deliberately, it seems as *gender-blind*, because the way it is formulated ignores the different social roles and capabilities of men and women. The main reason for this deficiency is the gender-blind nature of frameworks and statistics used to prepare national budgets. They fail to recognize that women play a significant role in unpaid economy, in which women do most of the work of caring for and maintaining the labor force.² Gender relations and gender distribution of resources within the household have important effect on the social capital and social framework vital for the paid economy. Also, gender relations exercise important influences on the parameters of aggregate production, savings, investment, imports and exports.

Probably, the most important problem with a gender-blind macro policy is that it leaves the unequal gender relations untouched, or, in a worse case, it amplifies the extent of the unjustness faced by women in respect of economic, social and political power. Most budgets are clear reflections of a capitalist and patriarchal regime, thus they generally target and serve the needs of men who are working. As the budget reflects the values of a country in a sense that certain social groups' work is valued and others' not, some performances are rewarded and others not, change in the priorities must surely be reflected in the structure of budget. *Gender-sensitive budget* (gender budget) refers to a variety of processes and tools which target at facilitating an assessment of the gendered impacts of government budgets. During these exercises the focus is on auditing government budgets for their impact on women and girls. But in a broader context, gender budget is aimed at contributing to the needs of all poor groups. Gender-sensitive budgets are not separate budgets for women and men, rather they are attempts to break down, or disaggregate the government's mainstream budget according to its impact on women and men, and different groups of women and men, by taking cognizance of the society's underpinning gender relations.³

² Elson (1998) argues that through nurturing children, an unpaid non-market-orientated work undertaken in families and neighborhoods produces vital inputs for public and private sectors. These inputs include labor force available for work and a variety of other *intangible social assets*, which constitute the basis for all subsequent formal education and employment. People have to possess not only the capacity to work, but also to acquire other more intangible social assets: a sense of ethical behavior, a sense of citizenship or a style of communication.

³ Disaggregated data are needed to demystify the apparent gender neutrality of budget. They can expose that various policy measures, such as tariffs, taxation, education, employment and industrial policy may have different impacts on women, due to their different positions in the economy and family. For example, by scrutinizing who gets the jobs newly created, who gets the subsidies, who is considered dependent in the

The goal of removing discrimination or achieving gender neutrality in the budget does not necessarily mean that budgetary policies cannot have significantly different impacts on women and men. What is important in this respect is that they must contribute to justified social and economic objectives, among which to the decrease in gender gap. Gender-sensitive budget policy requires understanding both the impact of policy and how it might be better designed to meet the needs of women and men, and girls and boys, as well as different groups of women, men and children. It is about taking government's gender commitments and translating them into budgetary processes. Thus, preparing a gender budget is fundamentally about *mainstreaming gender* issues: ensuring that gender issues are integrated into all national policies, plans and programs. One of the objectives of a gender budget is to involve public in the budget-making process and form a debate about policy measures and the appropriate allocation of public expenditure and taxation.

6 Tools for gender budgets

There is a set of procedures that can be utilized in order to involve a gender aspect into the analysis of budget. Depending on the local circumstances, some of the tools are used more frequently in certain countries, some of them in others. The choice among tools used in the analysis also depends on the availability of data, expertise of personnel, time constraints and other conditions.

6.1 Gender-aware policy appraisal

In this analytical approach, policies of different fields and programs are scrutinized by paying attention to whether they are likely to, in a direct and indirect way, reduce or increase gender inequalities. Gender-neutrality of policies is queried through following up the impacts of resource allocations associated with policy measures. For example, the government preventative health policies appear to have a diffuse effect, however, can still be analyzed for the possible gender impact.⁴

family, and so on, the government can avoid the pitfall of reinforcing existing gender inequalities through applying unchanged rules and procedures.

⁴ At the beginning of the 2000s, the land reform in South Africa involved a gender-conscious behavior on the part of the Department of Land Affairs, because it built gender concerns into its monitoring and evaluation system. This aimed at avoiding the reinforcement of gender inequality caused by women's constrained property rights, and their less access to high-quality plot. In the Australian government women's budget of 1994, there was an appraisal of the link between policy goals and implementation by agencies in countermeasuring domestic violence that is primarily suffered by women. It identified the strategies involved, the key stakeholders and the elements of the implementation policy. (Budlender and Sharp, 1998, pp. 39-41) In the

Policy appraisal can only be carried out at a relatively aggregated level, because it is rather difficult to determine which individuals or groups are directly affected by and benefit from government resource allocation. A gender-aware policy appraisal must involve the development of an analysis, which helps to understand the gender implications of policy measures. It is necessary to identify the implicit and explicit gender issues, the allied resource allocations, and whether the existing gender inequalities, and patterns of gender relations will change, or not. The techniques utilized to make this analysis include a checklist of questions for assessing the policy, and also for checking the gender-related assumptions against the evidence. There must be a discussion of events, activities and budget allocations generated by the policy. The policy should be checked even against stated aims and performance objectives.

6.2 Gender-disaggregated beneficiary assessments

During applying this research tool, actual and potential beneficiaries of government policies and programs are asked about the extent to which their priorities are matched by the government measures. There is a variety of techniques that can be used in order to make the views of citizens be expressed about how existing forms of public service delivery meet their needs. Quantitative surveys include opinion polls, attitude surveys etc, while qualitative approaches may be carried out in public hearings, or focus groups, by interviews, discussions, or other observations. This process of assessment can be initiated by various government agencies, but also by groups of civil society.⁵

6.3 Gender-disaggregated public expenditure incidence analysis

This method can be used to assess the distribution of government expenditure of a given program between men and women, and boys and girls. Understanding the extent to which the government financially supports men and women in a project, may significantly contribute to the decrease in gender gap. Public expenditure incidence analysis is typically applied for measuring public costs on girls and boys

United Kingdom, the NGO of Women's Budget Group conducted policy analysis of the impact on women in poor households of taxes. They found that value added taxes have disproportionately larger burden on women, thus the government rescinded some of the indirect taxes. (Esim, 2002, pp. 33)

⁵ In Sri Lanka in the middle of 1990s, the Centre for Women's Research organized small group sessions for urban and rural poor women separately to discuss their problems and needs in order to understand what impacts the Women in Development program of almost two decades had on their lives. Group formation encouraged that a sense of solidarity has developed among these women, which strengthened their capacity to analyse, protest and suggest appropriate interventions to alleviate their problems. (Budlender and Sharp, 1998, pp. 43)

per capita enrolled in public schools.⁶ It is also worthwhile to compare the expenditures in different areas with the levels of gender-specific needs revealed in surveys. The use of this tool, however, needs a considerable amount of data: government agencies must provide estimates of the cost of service provision, and household surveys conducted by statistics agencies or NGOs can serve as a source of data on the utilisation of public programs by gender.

6.4 Gender-disaggregated tax incidence analysis

To understand the tax burden of citizens by gender, it is necessary to examine the taxation component of budget revenue. The tax incidence analysis deals with both direct and indirect taxes and calculates how much taxation is paid by individuals and households.⁷ It requires a large volume of data on income and expenditure patterns, which can mostly be obtained by household surveys and by the help of revenue agencies. However, even if the data required are obtained, there is usually no information about income sharing within households. A number of researches have shown that it rarely means equal distribution of income among members of households.

6.5 Gender-disaggregated analysis of the impact of the budget on time use

An unusual perception of the impact of government budget can be obtained by analysing its impact on the way time is used in households. It helps to reveal the extent to which budgets rely on unpaid work that is mostly performed by women.⁸ National income accounts leave out more of women's work than men's, due to nature of their work outside formal labour market. Unpaid work includes not only

⁶ In Ghana in 1993-94, the World Bank and the Government conducted a study on the allocation of public resources and the behavior of households in using government services. It found that gender differences were large in education, where girls received subsidies in a proportionately less amount than their enrollment ratio. In 1997, the Department of National Planning of Sri Lanka carried out a gender-disaggregated public expenditure incidence analysis for the ration and stamps programs. It found that women and girls took the brunt of the increasing food deficit in 1980s. (Budlender and Sharp, 1998, pp. 46-47)

⁷ At the beginning of 1990s, a South African study found that, due to the narrow tax base and the characteristics of the distribution of income and employment women do not pay a large proportion of total tax gathered, but the burden of indirect taxation is falling disproportionately on them. (Budlender and Sharp, 1998, pp. 48)

⁸ Some circumstances determined largely by government policies have important impact on the time available for women. Providing a water supply close to home, or transportation to and back from workplaces increases the amount of time available, but deforestation or pollution of water supply reduces the time available and increases the vulnerability of women. (Budlender and Sharp, 1998, pp. 59)

the everyday activities such as cooking, cleaning, collecting fuel and water, etc, but also others, such as providing services, for instance, caring for children and those aged or ill. The unequal division of labour within households is rather problematic, because it is not only widespread in almost each country of the world, but, as demands on women's time increase, they share their work primarily with their daughters, then with sons, but very rarely could share it with their husbands.⁹ As a consequence, increase in the time burden of women, caused either by an increase in demand for their work on the market, or by an elimination of public services due to economic restrictions, leads to a fall in the quality of child-rearing and child education, hence, to a probable fall in the quality of future labour force.¹⁰ Implementing an analysis of the impact of the budget on time use is dependent on relevant studies, which, in ideal cases, are carried out by national statistics agencies.

6.6 Gender-aware medium term economic policy framework

This tool attempts to incorporate gender into economic models, which is essential for preparing a correct medium-term economic frameworks and affect figures in future budgets. More specifically, models for multi-year budgetary allocations can include variables that are subjected to gender analysis. Methods include disaggregating variables by gender where possible, relying on those income accounts, which reflect unpaid work, and changing assumptions about how the economy works.

Traditionally, models of the economy treat the household as being primarily a site of consumption, but new approaches recognise that households contribute to production. Measuring the unpaid work of households, estimated by time use studies helps make gender issues visible, which are indispensable in order to engender economic models.¹¹

6.7 Gender-aware budget statement

Government policies, programs and budgets of each portfolio can be audited in respect of gender equity. A precondition of the analysis is classifying government expenditures and revenues in respect of their impact on women and girls. For instance, public expenditures can be classified into specifically targeted expenditures to meet particular needs of women and men, equal employment opportunity expenditures, and general or mainstream expenditures targeting the

⁹ *Human Development report 1995*, UNDP, Oxford University Press, 1995.

¹⁰ As Diane Elson, a prominent representative of gender economics states, gender inequality costs money not only for women, but also for men and children.

¹¹ As one of the central activities of households is to produce goods and services for others, the sector of households is called care economy.

whole community, but assessed for the gender impact. A gender-aware budget statement is an accountability report by government on that to what extent it implements a gender-sensitive approach in meeting its objectives. Tools, utilized in preparing the statement include those above, which are also useful for evaluating other gender aspects.

7 Evaluation and the use of gender budget tools

Gender budget initiatives have existed for twenty years, but they have become more widely recognized since the 1995 United Nations Fourth World Conference on Women in Beijing. Several countries in various continents have developed and implemented some forms of gender analysis of budgets from Asia to Europe, or from America to Australia. Gender-aware policy appraisal is the most frequently used analysis that evaluates the policies underlying budget appropriations to identify their likely impact on men and women. By questioning whether policies and associated resource allocations are likely to reduce gender inequality gap, there is a means to evaluate the policy's adequacy.

The tools available for making the budget gender-sensitive can be used alone or in combination, depending on the local circumstances. As preparing a budget involves decisions at three levels, i.e. aggregate macroeconomic strategy, composition of expenditures and revenues, and effectiveness of service delivery, it is possible to integrate gender issues at all three levels. Formulation of gender-sensitive policies is usually originated from a group of ministers and officials concentrated in the Prime Minister's office, Ministry of Finance, and Central Bank. However, an effective policy dialogue presumes the active participation of civil groups, such as women's groups, trade unions, peasant associations, research institutes, and NGOs.

Conclusion

This paper has examined the main tools, which can be useful for making a budget gender-sensitive. Budgetary analysis is vital, because defining priorities and allocating resources has to respond to the needs of the entire population, taking specific account of women's disadvantaged positions in social, economic and political aspects. Budgetary allocations have to reflect that women have different rights, responsibilities and capabilities as men, and must avoid transmitting and reproducing gender biases throughout a society. Examining budgets from a gender perspective, gaps in access to and distribution of public resources can be identified and thus lessened through taking appropriate measures. By doing this, both equity and efficiency are promoted.

Budget analysis is also critical from the viewpoint that civil society gains information on budget issues, promoting its participation in the debate on

distribution of national resources. Fostering an open, democratic and participatory budget-making is leading to a more transparent government process, where citizens may have inputs into those decisions, which affect very closely their lives.

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